

Summer 1990

Public Radio: Three Stations' Survival

Michael L. Hilt

University of Nebraska at Omaha, mhilt@unomaha.edu

Follow this and additional works at: <https://digitalcommons.unomaha.edu/commfacpub>

 Part of the [Communication Commons](#)

Recommended Citation

Hilt, Michael L., "Public Radio: Three Stations' Survival" (1990). *Communication Faculty Publications*. 45.
<https://digitalcommons.unomaha.edu/commfacpub/45>

This Article is brought to you for free and open access by the School of Communication at DigitalCommons@UNO. It has been accepted for inclusion in Communication Faculty Publications by an authorized administrator of DigitalCommons@UNO. For more information, please contact unodigitalcommons@unomaha.edu.



bility to raise independent funds."

However, other respondents pointed out that the granting agencies themselves mandate influence over content because grant guidelines dictate the nature of programming proposals. One respondent observed: "We won't go to the trouble and expense of developing a proposal for a series we know will not be funded—unless we're doing it because 'we feel like it.' We find it easier to get grant support for a particularly 'desirable' program or series. This hasn't been much of a problem, since we decide the areas we are interested in developing programs about, then seek funding. We take our responsibilities seriously, and have never had serious difficulties maintaining our integrity."

Demographic analysis in public radio

Two years ago the CPB sponsored a study called *Audience 88* (Corporation for Public Broadcasting, 1988), which analyzed the listeners of public radio and presented those findings in terms of demographic analyses focusing on income levels, education levels and other lifestyle components. This information was made available to

public radio stations in order not only to aid them in understanding their audiences, but to help them secure underwriting. In fact, *Audience 88* is a slick portfolio that includes handouts public stations could use to attract underwriters, handouts with titles such as "Reach a Well-Educated Market," "Reach an Upscale Market," "Reach the People Who Make a Difference" and "Reach Professionals and Managers—Active People with Disposable Incomes." Clearly, The Corporation for Public Broadcasting regards underwriting as a desirable funding method and sees nothing wrong with public stations attracting underwriters by emphasizing the income levels of their listeners. However, does such an emphasis on acquiring underwriting lead stations to program towards such upscale groups and is this in line with the mission of public radio?

Asked if underwriting leads to programming targeted at upscale audiences, 62% of public radio personnel replied that this happens never or rarely, largely because public radio audiences were upscale to begin with. As one manager put it, the question has it backwards: "Our programming is already attractive to audiences with higher incomes and always has been. This in turn is

attractive to underwriters." Other managers shared this view: "Programming decisions are made independent of underwriting. Our audiences were in place before underwriting was contemplated." "The format attracts a specific audience. That audience invites the underwriting. That's the direction of the flow here." "Public radio does tend to appeal to that [upscale] demographic, but that was true before public radio was seriously involved in development work." "We target businesses for underwriting based on the audience we already attract, not the other way around."

Another manager located the distinguishing characteristic of public radio listeners not in income but in education. "Public radio audiences tend to be highly educated. That one determinant is key over all others. Our own audience is 20% people of color—but 96% of our listeners have college degrees. People with college degrees tend to have higher incomes." Another manager commented:

Our programming is an alternative to commercial radio. Of necessity then, we program "less accessible" forms of music, such as classical. For the most part our audience is comprised of in-

Public Radio: Three Stations' Survival

By Michael L. Hilt

Every year Americans give millions of dollars to help support local public radio stations. In some communities only one radio station asks its audience for help. But in nearly half of the radio markets in the United States, two or more non-commercial radio stations solicit funds from the public. According to the *1988 Broadcasting Yearbook*, 126 of the 259 radio markets have more than two public radio stations.

Cuts in funding by the federal government during the Reagan administration forced most public radio stations to look for ways to save money, while at the same time offering listeners a choice in programming.

In the Omaha, Nebraska/Council Bluffs, Iowa market the three public radio stations decided to work together to fulfill the objectives of public radio. With a radio audience of nearly 500,000, in a radio market ranked 69th in the country, the three stations vie for the attention, and financial

support, of the community. But they compete within a framework discussed and agreed upon by the stations' general managers. This blueprint may be an alternative for the other markets where budget cuts have stations searching for ways to survive.

The last 20 years

KIOS-FM signed-on first, taking the air September 15th, 1969. KIOS operates on 50,000 watts, and is licensed to the Omaha Public School District.

KVNO-FM took the air August 27th, 1972. It operates on 3000-watts, and is licensed to the University of Nebraska Board of Regents.

KIWR-FM is the newest public radio station in the market, signing-on November 23rd, 1981. It broadcasts on 100,000-watts, and is licensed to Iowa Western Community College.

During the first half of the 1980s, the three stations aired the same programs. The

stations broadcast National Public Radio's "All Things Considered" simultaneously. The stations' music formats were similar, and to the radio audience there seemed little difference between the three stations. This feeling seemed to carry over to the fundraising efforts. Donations leveled off, and each station had to cut back to meet its budget.

After several years of fighting, the three stations decided to work together and formed a unique partnership. The three station managers met and designed programming which would build, not limit, listenership. The first meeting took place in 1985.

"We said, 'Look, there's been bad blood over the years but we're all new in our positions,'" said Will Perry, KIOS station manager. "Let's see if we can't work something out and get rid of this duplication. We're shooting ourselves in the foot with it."

The three stations have now moved

telligent, educated people. These people do well, for the most part, in society. If undereducated poor people were devotees of classical music, we'd still be playing it. Underwriting has no influence on programming.

Although 34% of respondents said that underwriting led to targeting upscale audiences, their comments echoed those who answered that such audiences were the original audiences of public radio anyway. Furthermore, they added, why single out underwriting when such upscale groups were the targets of appeals for listener-support as well?

Does demographic analysis lead to commercialization?

Asked if underwriting leads to demographic analysis of the audience similar to that of commercial radio, opinion among public radio personnel was more divided. Some 35% said this occurs never or rarely, while 55% agreed that it happens occasionally or frequently; 8% replied that it happens always. But again the question was challenged because according to some station personnel it misconstrues reality. Wrote one: "...the statement is backwards. Good radio programmers, public or otherwise, will spend

considerable time with audience data to improve programming. The most used tool is Arbitron data which is what commercial broadcasting uses also. The improved programming will lead to more corporate underwriting."

Respondents stressed the variety of purposes to which demographic tools were put in public radio:

...to presuppose that underwriting leads to demographic analysis is a misstatement. Demographic analysis takes place for a variety of reasons. Once done by the programming staff, the underwriting staff will use that analysis to match potential underwriters to the programs most suited to them... Likewise, the programming/station management decide what programming will be pursued based on audience needs. The funding is either built into the budget or underwriting is found. The "underwritable" factor is never the determiner.

"As a program director," wrote one respondent, "I want audience data so I know how others are reacting to what we do. In short, many factors drive interest in data, among them, are you serving listeners or

yourselves?"

Many voiced approval of the process of demographic analysis and did not infer a negative association in sharing a practice with commercial radio. Indeed, a number of respondents suggested that the increasing use of demographic analysis indicates public radio's greater awareness of its audience and that this should be regarded as a mark of maturity.

Other respondents, however, felt that underwriting brought public radio closer to the modes of commercial radio. "To sell underwriting the same tools are probably needed as to sell commercials," wrote one. "'Underwriting' is simply soft-sell ads/commercials." One manager acknowledged being driven to procedures that are increasingly commercial in appearance. "Absolutely, there is no other way to compete in a large market where corporate donors are becoming less altruistic and more bottom-line oriented."

General comments

In the final general comments section of the survey, respondents continued to stress that programming precedes underwriting and is, for the most part, not affected by it. Several respondents added that underwriters

toward establishing their own niche in the marketplace.

Compromise in Programming

The station managers agreed during the meeting that KIWR's format would be predominantly classical music, KVNO's format would be predominantly jazz, and KIOS's format would be eclectic, with an emphasis on news and information.

According to KIWR station manager Ward Bean, the changes have helped all three stations.

"It's working and we're not butting heads all the time," he said. "We know that in terms of membership support, (and) we know that in terms of the numbers that come to us from Arbitron."

Each station manager says competition still exists. But they say they have learned to work together to build each station's portion of the public radio audience.

As an example, before the agreement all three carried "All Things Considered." After the meeting, KVNO dropped the news program, and ultimately dropped its National Public Radio affiliation. KIOS and

KIWR agreed to stagger the program, and air it at different hours in the afternoon, KIOS airing the show twice a day.

"We're providing a news in-depth that you're not going to find anywhere else on the dial," Perry said. "That's what we're offering the market... in-depth news coverage."

Perry said he considers KIWR his main competition since both stations air NPR news. But even with the programming agreement, KIWR's Bean said it is impossible to eliminate news, or a specific type of music, from a public radio format.

"To maintain our license we have to provide alternative radio programming in the market we are in," he said. "We're limited in the types of musical formats we can have. As an example, we're still offering New Age music, even though we've said that's KVNO's."

Bean said while there is still some overlapping of formats, it is not like it was four years ago.

"There was a time where we all did opera on the weekends," Bean said. "If you didn't like opera but you wanted to listen to

public radio, there wasn't much to listen to because we were all doing the same thing. Now I think we're doing a pretty good job of not getting in each other's way."

The one station that drastically changed its format as a result of the agreement is KVNO. Not only did the station drop NPR, but its format now resembles a commercial station.

"It was obvious, to a blind man on a galloping horse, that three stations can't all play 'All Things Considered' at the same time and get any respect from anybody," said Peter Marsh, station manager of KVNO.

"We have found our own niche. We're going lighter classically, and our jazz is very modern, adult contemporary-almost format."

While KVNO's music sounds like a commercial station, its news definitely is commercial. Five of KVNO's eight daily newscasts originate at WOW, an AM commercial station in Omaha. The newscasts are broadcast simultaneously over both stations.

"I've never heard of it anywhere else," Marsh said. "We're very grateful. WOW is just giving us the service. It doesn't cost us

are not "faceless entities" or "evil bogey men." "In our experience," wrote one respondent, "underwriters are listeners, attracted to support public radio because they listen and enjoy what they hear." In this same vein, another commented that "The ghosts that haunt you do not live with the underwriters of public broadcasters in this community."

However, these general comments also revealed a profound concern, even frustration, related to funding public radio stations. For example, some respondents noted that among the disadvantages of underwriting is the expense it entails—an outlay of about 35 cents for each dollar brought in. There was also speculation that as underwriting increases, it will lead to an "adversarial relationship" with commercial stations who will feel that their turf has been invaded.

Four respondents lamented the increase in acquisition fees that stations must pay for national programming from NPR or APR. "Small market public stations," wrote one, "are going to need help from NPR or its underwriters directly if they expect us to continue paying their exorbitant fees. Because our local underwriting base is so small and state money is dwindling, I foresee a

number of my counterparts in small markets dropping NPR altogether and using the money saved for local programming." Another respondent felt this was such a serious problem that he called for a national forum on the subject.

Others noted that while the survey was focused on the possibly negative influence of underwriting on programming it ignored other sources of constraint, such as the listeners themselves. "What about the chasing of listener dollars that forces controversial programming off the air and keeps only safe stuff on?" Another cited the fact that small groups of "special interest" listeners are able to exert influence far beyond their representation in the audience as a whole simply because they are incessantly vocal.

One respondent hypothesized about ideal funding:

No underwriting and lots of national grant dollars would be the ideal situation. But it's not going to happen. The stations are increasingly dependent on underwriting as long as the 'less government is best government' agenda prevails. And, in many instances, underwriting is fine and

strengthens the stations' economics and does not damage its mission/ethics.

In contrast, others expressed basic antipathy: "Death to Underwriting!" "Fund public radio and let the military solicit underwriting."

Finally, the attitude of concern t sounds most loudly in the general comments:

A solid, reliable, sufficient funding base MUST be found for Public radio. We otherwise will see more fund drives, underwriters, commercialization, reduction of service. We are eating our tail. That can't go on. Fund increases from audience, underwriters have limits. We need income from foundations, secure funding from government sources.

Another manager wrote, "We spend an extraordinary amount of time soliciting from our listeners, underwriters and grantors a very small percentage of our budget. That time could be spent improving our programs service if CPB and university money were sufficient to our needs." Others echoed this view by wistfully stating their desire to be broadcasters rather than fundraisers. One respondent, however, took the position that financial insecurity actually promoted a closer relationship between the

anything. I think it's unique that a public station has teamed up with a commercial station."

KVNO's competitors also notice the difference. KIOS's Perry said some listeners might think KVNO is a commercial station.

"Just by the general style of announcing, and the fact that they're running WOW news at the top of the hour, it sounds like a commercial station," Perry said.

"KVNO seems to drift that direction anyhow, so it sounds fine for his station."

While the three station managers say they are no longer in competition over programming, the battle has intensified for financial support.

KIOS receives 54% of its funding from the Omaha Public School District, 30% from the Corporation for Public Broadcasting (CPB), and 15% through fundraisers.

KIWR gets 50% of its funding from its licensee, Iowa Western Community College. Twenty-percent of its budget comes from the CPB, and 30% from the public.

KVNO receives the lowest percentage of its funds of the three stations from its

licensee—33% from the University of Nebraska Board of Regents. It receives 26% from the CPB, and has to raise the bulk of its money from the public, 41%.

All three station managers say the format agreement helps fundraising, but they also say fundraising creates the most competition. Perry said he disagrees with the idea that public radio listeners switch between the three public radio station.

"I don't think that is true because we have different attractions and programming," Perry said. "You'll find that at KIWR they don't get the money out of the news-listening audience, we get the money. Our biggest times during the fundraisers are 'Morning Edition.' The phones ring off the hook. I think they get most of their money from the classical listeners."

Marsh said the three stations compete for dollars, but he said many of KVNO's members still give support to KIOS and KIWR. He said the future of the three stations will depend on each one's ability to attract and keep an audience.

"We talked about funds reaching a plateau, and I guess our last two years we

reached a plateau," March said. "But this year (1988) we seem to be going higher and higher."

Perry said the fact that the three stations exist in the market is based on fatter times. He said there was more money for public radio in the late 1970s and early 1980s than there is now.

The next five years

KIOS's Will Perry said by the mid-1990's the formats at his station and KIWR will have to change to remain competitive.

"Everyone is trying to figure out what's going to be the interest of the baby boomers," he said. "Our demographics are quite old. KIWR has an even older demographic because of classical music."

"I think the definition of public radio is changing. If you look at the audience for classical music, the core audience is getting older and older."

KIWR's Ward Bean disagrees with Perry's assessment. Bean said the public radio market will grow in the coming years.

"Part of our mission is to assume a missionary role, try to bring in new converts to public radio," he said. "We think it's the

station and the community because the station had to be more responsive.

A number of respondents urged more money for marketing and promotion. Since listener-support is the most desirable form of funding, and since on the average only 10 percent of the audience contributes money, then strategies that increase contributions and listeners were seen as desirable.

Conclusions

Underwriting's influence on programming

According to the respondents to this survey, underwriting currently exerts very little influence on programming. First, it is generally less than 20% of station budgets. At this time programming is seen as almost entirely preceding underwriting. It is programming that attracts the audiences that then attract underwriters. Furthermore, station personnel are very well aware of the possibility that underwriting could influence programming and are committed to maintaining the separation between programming and funding, often coding safeguards into written rules. This commitment to the non-commercial mission of public radio was impressive and bodes well for its future. Grants, though seen as exerting more influence than underwriting, are still regarded as

having minimal effect on programming decisions. Grants, in fact, occupy very little of any station's budget.

Underwriting and demographic analysis

Underwriting and demographic analysis are linked, but one does not cause the other. Demographic analysis is regarded as a necessary tool of the professional broadcaster; it is used directly to aid decisions about programming and indirectly for underwriting. While respondents assented that underwriters are attracted to the demographics of their audiences, they rejected the notion that they addressed these audiences in order to get underwriters. Instead, they asserted that the audience for public radio has always been educated and therefore more likely to be upscale, perhaps because of public radio's genesis in universities.

Public television as an underwriting model

It is clear that using the experience of public television in order to assess the effects of underwriting on public radio is inappropriate, primarily because the scale of operations is quite different in these media. Many survey respondents pointed out that the negative effects of grants and underwriting

were much more pronounced on the national than local level. Public television's greater production costs and larger audiences, for example, are more likely to necessitate as well as to attract large corporate underwriters. But these underwriters are also likely to have active political agendas that they may vigorously pursue. Respondents pointed out, on the other hand, that public radio doesn't usually attract large corporate sponsors for local programming. In addition, the small underwriters who do come forward are less likely to be pushing a political agenda.

General funding questions

Overall, this survey shows that funding continues to be a problem. However, the great diversity of situations in which public radio stations exist has spawned many funding formulae. A different mix of funding options arises in diverse situations, and economics of scale apply to the effects of these methods.

One of the most important findings from the survey was the high regard in which listener support is held—it is overwhelmingly named as the most desirable funding source. Holding and increasing this source represents a site where creative thinking and

best kind of radio, whether it's ours or KVNO or KIOS."

In the Fall 1988 Arbitron ratings, the popularity of KVNO's format came through. The station attracted more young male listeners between 25- and 35-years old. The station reached its highest level ever in the overall ratings, ranking 10th among the 20 stations in the market. Among people between the ages of 25 to 49, the station again ranked 10th, and within striking range of the ninth place commercial station. While attracting a younger audience, the station kept its long-time listeners, ranking fifth in the 50+ category.

On the other hand, KIOS finished 12th overall, and KIWR tied for 18th out of the 20 stations. KVNO beat KIWR significantly in every age group. KIOS tied KVNO in every group. While public radio stations usually do not place much importance on the ratings book, KVNO's strong finish could come at the expense of the other two public radio stations.

It is ironic, but Marsh said KVNO's format success is due to the agreement with the other stations, and to its tight budget.

"Of the three public radio stations, KVNO gets less funding from the state than the other two," he said. "Our philosophy is, if the listeners like it, we play it."

Perry said that broad format is the philosophy of KIOS—to serve the public by offering programming they cannot receive on commercial radio.

"We provide programming that has too small of an audience for commercial radio," he said. "Or for that matter, even the other public radio stations."

Perry said there will be more markets like Omaha/Council Bluffs as the CPB continues working under a mandate from Congress.

"The goal is that every listener in the United States have the opportunity to hear a public radio signal," he said. "Not only should every person be able to get a signal, but every group should be represented in terms of programming. They have a legitimate gripe because it is public money."

But Marsh said that philosophy does not work in areas where there are several public radio stations. He said public radio, at

least in this market, has turned into a business.

Conclusion

The answer for non-commercial radio may be in not airing traditional public radio formats, but rather looking for alternatives. One alternative would be to divide the public radio audience as the Omaha/Council Bluffs stations have, thereby ensuring the survival of each station. Then each individual station can solidify its position by honing its skill and expertise in that one area.

The three stations in this market each have carved their own niche. While it may be argued that they have drifted from the strict public radio objectives, the fact remains their division of programming has worked. All three remain on the air, and in a stronger position than they were just four years ago. At the same time, each station offers the public alternative programming not available from a commercial radio stations.

Michael Hilt is Assistant Professor of Communication, University of Nebraska at Omaha.